

BOHNING COMPANY LTD.'S STANDARD TERMS OF PURCHASE

Purchase orders by Bohning Company Ltd. (the "**Buyer**") are subject to the following terms and conditions, and Buyer objects to any additional or different terms. In these terms, "**Goods**" and "**Services**" refer to the goods or services described on the face of a purchase order from Buyer to the supplier or vendor named on the purchase order ("**Supplier**"), and the "**Agreement**" or this "**Agreement**" refers collectively to any contract or contracts formed pursuant to Buyer's purchase orders, including without limitation the face of the purchase order(s) and these terms and conditions. The use of the term purchase orders shall include not only written purchase orders but also orders given by Buyer electronically, and in the context of an electronic order, the reference to the "face" of the purchase order shall mean the terms in the electronic order.

1. **Agreement.** Buyer intends its purchase order to be an offer. If, however, a purchase order is in legal effect an acceptance of a prior offer by Supplier, Buyer's acceptance is conditional upon Supplier's assent to all terms of Buyer's purchase order that are additional to or different from the terms of Supplier's offer. By signing and returning the acknowledgment copy of a purchase order, by shipping the Goods or performing the Services in whole or in part, or by accepting part or full payment of the purchase price, Supplier agrees and assents to all of these terms.

2. **Payment.** Unless the face of the purchase order states otherwise or Buyer agrees otherwise in writing, (i) Buyer will not be required to pay any sales, use, or other taxes or any import or export duties, tariffs, licenses, permits, or fees arising because of Buyer's purchase from Supplier; (ii) no charge shall be made for packing, boxing, insuring, transporting or storage; and (iii) Buyer will not be required to pay any late charge, interest, finance charge, or similar charge. Buyer's payment of the purchase price does not indicate its acceptance of the Goods or Services. Payment terms are stated on the face of the purchase order. Payment terms, including discount periods, shall run from the latest of (i) the scheduled date for delivery or performance; (ii) the actual date of delivery in full of conforming Goods or performance of conforming Services; (iii) the date of Supplier's invoice; (iv) in the case of capital equipment, completion of Buyer's final inspection and acceptance after installation; and (v) in the case of tooling, approval by Buyer and Buyer's customer of production pieces produced by the tooling at Buyer's facility.

3. **Price Warranties and Competitiveness.** Buyer shall pay no more than the specified price on the purchase order. Supplier warrants that the prices for the Goods and the Services are, and shall ensure that such prices remain, not less favorable to Buyer than the prices currently extended to any other customer of Supplier for the same or substantially similar goods or services in the same or substantially similar quantities and delivery requirements. If Supplier reduces the prices of such same or substantially similar goods or services during the term of this Agreement, Supplier shall reduce the prices of the Goods and the Services to Buyer correspondingly.

Supplier warrants that the prices in this Agreement shall be complete, and no surcharges, premiums or other additional charges of any type shall be added, without Buyer's prior written consent. Supplier expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, import or export duties, tariffs, increases in raw materials costs, inflation, increases in labor and other manufacturing costs.

Supplier shall ensure that the Goods and the Services remain competitive in terms of price, technology and quality with substantially similar goods and services available to Buyer from other suppliers.

4. **Delivery.** Unless the face of the purchase order states otherwise or Buyer agrees otherwise in writing, the Goods shall be delivered DDP (Incoterms) Buyer's facility. Time of delivery or performance is of the essence, and Buyer's stated delivery or performance date cannot be extended for any reason, including delays in manufacture or shipment that Supplier cannot control (including without limitation strikes, labor disturbances, actions or omissions of Supplier's material suppliers or subcontractors, etc.); *provided, however*, that Supplier shall not be liable for any non-performance or delay in performance caused solely by a riot, war, insurrection, or an act of God or a public enemy, if Supplier immediately notifies Buyer of the event and gives Buyer a detailed description of the non-performance or delay that will be caused by it. Buyer shall then have the right to terminate the Agreement, without any liability to Supplier.

Supplier warrants that any representation made in a quote or otherwise regarding its production capacity shall be considered a warranty that Supplier can manufacture or produce the stated quantity of Goods or Services without the imposition of overtime charges or other surcharges. Supplier acknowledges that any estimates or forecasts of production volumes or length of program, whether from Buyer or its customer, are subject to change from time to time, with or without notice to Supplier, and shall not be binding upon Buyer. Unless otherwise expressly stated in this Agreement, Buyer makes no representation, warranty, guarantee or commitment of any kind or nature, whether express or implied, to Supplier in respect of Buyer's quantitative requirements for Goods or Services or the term of supply of Goods or Services.

5. **Excess, Installment, and Early Deliveries.** If Supplier delivers more Goods than Buyer ordered, then, unless Buyer agrees otherwise in writing, Buyer may return the excess at Supplier's expense. Unless Buyer agrees otherwise in writing, Supplier shall deliver all of the Goods in a single delivery and not in installments. Buyer's acceptance of a delivery containing less than the required quantity shall not relieve Supplier of its obligation to deliver the balance of the ordered Goods at the price and on the other terms specified in the purchase order. If Supplier delivers the Goods before the scheduled delivery date, Buyer may, at Supplier's expense and risk, either store them or return them to Supplier. Buyer's acceptance of an early delivery shall not change the payment terms.

6. **Representations and Warranties of Supplier.** Supplier represents and warrants to Buyer that (i) Supplier has all necessary experience, qualifications, expertise, authority, licenses and permits to enable it to perform its obligations under the Agreement formed pursuant to a purchase order, (ii) the Agreement is the valid and binding obligation of Supplier, enforceable against Supplier in accordance with its terms, (iii) Supplier is solvent, and (iv) Supplier has not offered or given, and shall not offer or give, any gratuity or thing of value to any employee of Buyer or of any affiliate of Buyer.

7. **Representations and Warranties Regarding the Goods and Services.** Supplier represents, warrants and agrees that (i) the Goods and Services shall be merchantable, of good material, workmanship, and quality, fit for the purposes for which Buyer intends them and free from all faults and defects; (ii) the Goods and Services shall conform to any samples, drawings, specifications, performance criteria standards, vendor quality programs or other requirements that are referred to on the face of a purchase order or that Buyer has otherwise specified or

have been previously agreed upon between Buyer and Seller; (iii) the Goods and Services shall conform to all specifications of the Customer, even if no copy has been furnished by Buyer; (iv) the Goods, their manufacture and sale, and the Services shall comply with all applicable federal, state, provincial, local and other laws, regulations, standards and orders, including, without limitation, the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970, as amended; and (v) the Goods and Services shall not infringe, misappropriate or violate any patent, copyright, trademark or other intellectual property right of any third party anywhere in the world. Supplier agrees that Supplier will abide by, and that all Goods and Services shall conform to, all quality specifications and requirements provided to the Supplier. Unless otherwise agreed in writing, any tooling, molds, dies, film, negatives, CAD data, and other electronic documents created by Supplier specifically for Buyer or at the expense of Buyer shall be the sole property of Buyer and shall be delivered to Buyer as soon as they are finished. If Buyer requests it, Supplier shall give Buyer certificates of compliance with all applicable laws and regulations and certificates of conformity to all specifications and requirements. Buyer's approval of a sample, drawing, specification or standard shall not relieve Supplier of any of its warranties under this paragraph, including, without limitation, its warranties of merchantability, fitness and compliance with laws. Supplier's warranties extend to future performance of the Goods and Services and survive inspection, tests, acceptance, conversion, assembly and payment.

8. Defective or Non-Conforming Goods or Services. If any of the Goods or the Services fail to meet the Supplier's warranties, Supplier shall, upon notice from Buyer at any time, promptly repair, replace or otherwise satisfactorily deal with the same in a manner acceptable to Buyer, all at Supplier's expense and without limiting or affecting Buyer's other rights or remedies available hereunder or at law. Supplier's warranties shall also apply to such repaired, replaced or otherwise satisfactorily dealt with Goods or Services.

If Supplier fails to repair, replace or otherwise deal with any defective or non-conforming Goods or Services in a manner acceptable to Buyer, Buyer may, without limiting or affecting Buyer's other rights or remedies available hereunder or at law, cancel this Agreement as to the particular Goods or Services and/or cancel the then remaining balance of this Agreement.

After notice to Supplier, all defective or non-conforming Goods shall be held at Supplier's risk. Buyer may, and at Supplier's direction shall, return such defective or non-conforming Goods to Supplier at Supplier's risk, and Supplier shall promptly pay, upon Buyer's demand, all transportation and other applicable charges, both to and from the original destination.

Any payment made by Buyer for defective or non-conforming Goods or Services shall be refunded by Supplier, except to the extent that Supplier promptly replaces or corrects the same at Supplier's expense.

Buyer, its affiliates, and its and their respective officers, directors, employees, agents, representatives, successors and assigns shall not be liable for, and shall not be obligated to indemnify or hold Supplier, its affiliates, or its or their respective officers, directors, employees, agents, representatives, successors, assigns subcontractors or suppliers, harmless from and against, any liabilities, claims, demands, costs, damages or expenses of any kind or nature (including personal injury, property damage, consequential or special damages) arising from or as a result of improper, unsafe or defective materials, workmanship or design of the Goods or the Services.

9. Indemnity. Supplier shall indemnify and hold Buyer, its affiliates and its and their respective officers, directors, employees, agents, representatives, successors and assigns (collectively, "**Indemnified Parties**") harmless from and against any claims, liabilities, losses, damages and expenses (including actual attorney fees) brought against any of the Indemnified Parties or incurred by any of the Indemnified Parties because of (i) any actual or alleged breach by Supplier of any of its warranties to, or agreements with, Buyer; (ii) any claim that any of the Goods or Services infringes, misappropriates or violates any patent, trademark, copyright or other intellectual property right, anywhere in the world; (iii) any death, injury, or damage to any person or property alleged to have been caused by the Goods or Services or by Supplier's manufacture of the Goods or performance of the Services; or (iv) any negligence, intentional misconduct or other fault of Supplier, its affiliates, and its and their respective officers, directors, employees, agents, representatives, suppliers or subcontractors.

10. Inspection. Buyer's employees or agents may on reasonable notice enter Supplier's premises to inspect and test the Goods, Supplier's process of manufacture of them, and any materials, components, or work-in-process that is to be used in their manufacture. Materials other than those specified shall not be substituted without Buyer's written consent. All Goods and Services shall be subject to Buyer's inspection and approval after delivery, conversion, assembly or performance, despite prior payment.

11. Changes. Buyer may, by written notice to Supplier, because of changes in circumstances, change a purchase order or the Agreement as to (i) designs or drawings of or specifications for the Goods or Services, (ii) time or place of delivery or performance, (iii) method of packing or shipment, or (iv) quantity of the Goods or extent of the Services. If this causes a change in Supplier's cost or time of performance, an equitable adjustment may be made in the price or time for delivery or performance, or both, if Supplier gives Buyer a written request for an adjustment within 20 days after Buyer notifies Supplier of the change. If such request is not made within the 20-day period, then Supplier shall have no right to any adjustment and shall be deemed to have waived any claim for adjustment.

12. Termination.

(a) Buyer may terminate this Agreement, in whole or in part, at any time if Supplier defaults under the terms of this Agreement. Such termination is addressed in Paragraph 13 below.

(b) Buyer may terminate this Agreement, in whole or in part, at any time without cause by written notice to Supplier stating the extent and effective date of termination. Upon receipt of the notice, Supplier shall, unless otherwise directed by Buyer, stop work and acquisition of materials under the Agreement and protect property in Supplier's possession in which Buyer has or may acquire an interest. Not later than 30 days after the effective date of termination, Supplier may submit to Buyer its claim, if any, for reasonable compensation for termination (and if such claim is not submitted within such 30-day period, such claim shall be waived). Buyer shall have the right to audit and inspect Supplier's books, records and other documents relating to the termination claim. If the parties cannot agree within a reasonable time upon the amount of fair compensation for the termination, Buyer will pay to Supplier, without duplication, (i) the purchase order price for Goods or Services completed in accordance with the provisions of a purchase order but not previously paid for and (ii) the actual costs incurred by Supplier and properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of the Agreement, but not to

exceed the contract price for the terminated portion of the Agreement, less any payments made by Buyer. These amounts will be payable after Supplier delivers to Buyer any completed Goods.

(c) Termination under this paragraph shall not impair Supplier's other obligations under Agreement nor impair Buyer's other rights and remedies against Supplier.

13. Buyer's Rights. If at any time (i) Supplier defaults in the performance of any of Supplier's obligations to Buyer, (ii) Supplier repudiates this Agreement, or (iii) any warranty or representation of Supplier to Buyer in or in connection with this Agreement shall be false or misleading, then Buyer may terminate this Agreement, in whole or part, and Supplier, if and to the extent demanded by Buyer, shall immediately deliver to Buyer finished and unfinished Goods, work-in-process and raw materials acquired for use in the manufacture or processing of the Goods. Payment of part or all of the purchase price by Buyer shall not be a precondition to Supplier's obligation to make the delivery. Termination by Buyer under this paragraph shall not impair Supplier's other obligations under this Agreement, and Buyer reserves all of its rights and remedies against Supplier.

If any part of Buyer's business is shut down, permanently or temporarily, because of anything Buyer cannot reasonably control, such as casualty, labor trouble, or a customer cancellation, shutdown, or delay, Buyer may terminate the Agreement without liability except as to conforming Goods delivered to Buyer or conforming Services performed for Buyer before Buyer terminated this Agreement.

In addition to Buyer's rights set out in this Agreement, Buyer has all of the other rights and remedies that the law gives to buyers, including the right to recover incidental and consequential damages resulting from any breach by Supplier. Buyer shall not lose any right just because it does not exercise it. Buyer shall have the full statutory period of limitations to bring any action arising out of Buyer's agreement with Supplier. Buyer's damages for Supplier's breach may include losses for raw materials, work-in-process, and finished goods.

14. Buyer's Website. Buyer's internet website at www.bohning.com/bohningpt (or such other website as may be directed through links available on such website) ("**Buyer's Website**") may contain specific additional requirements for certain items covered by this Agreement, including labeling, packaging, shipping delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of this Agreement. Buyer may periodically update such requirements by posting revisions thereto on Buyer's Website. In the event of any inconsistency between this Agreement and Buyer's Website, the terms of this Agreement shall prevail, unless the requirements specified on Buyer's Website expressly provide otherwise.

Buyer may modify these purchase order terms and conditions from time to time by posting revised purchase order terms and conditions to Buyer's Website. Such revised purchase order terms and conditions shall apply to all purchase orders and purchase order revisions issued on or after the effective date thereof. Supplier shall review Buyer's Website periodically.

15. Insurance. Supplier shall maintain insurance coverage that will fully protect both Supplier and Buyer from any and all claims and liabilities of any kind or nature for property damage, personal injury, death, products liability and economic/financial damage, to any person, that shall arise from the Goods or their use or the performance of the Services or any activities connected with the Services. Supplier shall maintain employee's liability and compensation insurance that will protect Buyer from any and all claims and liabilities made by Supplier or any employee or agent of Supplier under any applicable worker's compensation or occupational disease laws. All insurance required by this paragraph shall be in amounts and coverages, and shall be issued by insurers, that shall be satisfactory to Buyer. Upon request by Buyer at any time, Supplier shall furnish Buyer with certificates evidencing required insurance.

16. Prepayment. If Buyer pays any part of the purchase price of the Goods before delivery to Buyer, (i) title (but not risk of loss) to each item of the Goods shall pass to Buyer upon identification of the item to the Agreement; (ii) to the extent necessary to protect Buyer's title to the Goods, Supplier grants Buyer a security interest in the Goods to secure Supplier's obligation to deliver them to Buyer and all of Supplier's other existing and future obligations to Buyer; (iii) Buyer may file appropriate financing statements to evidence Buyer's title to the Goods and that security interest; (iv) Buyer may file a photocopy of this Agreement as a financing statement; and (v) Supplier shall obtain from each person holding a security interest in or lien upon the Goods a written agreement releasing that security interest or lien or subordinating it to Buyer's interest in the Goods. In the event that Supplier breaches any of the terms of this Agreement, then upon request Supplier shall refund any down payment or prepayment to Buyer and Buyer may pursue any and all additional rights and remedies.

17. Work on Premises. If performance of Services or delivery or installation of Goods by Supplier involves equipment or operations by its employees or subcontractors on the premises of Buyer, (i) Supplier shall contain all employees and subcontractors to the immediate area of the work and shall not permit access to unessential parts of Buyer's facilities; (ii) Supplier shall at all times enforce strict discipline and maintain good order among all persons engaged in the activity on the premises and shall cause them to comply with all fire prevention and safety rules and regulations in force at the premises; (iii) Supplier shall keep the premises free from accumulation of waste materials and rubbish caused by its employees or subcontractors and upon completion shall promptly remove all of Supplier's equipment and surplus materials; and (iv) Supplier shall be responsible for any damage or injury arising from the presence of Supplier's equipment or personnel.

18. Services. If a purchase order covers Services, (i) Supplier is an independent contractor, and neither Supplier nor any of Supplier's employees, agents, representatives or subcontractors shall be considered agents or employees of Buyer; and (ii) Supplier shall furnish, at Supplier's expense, all labor, materials, equipment, transportation, facilities and other items necessary to perform the Services.

19. Confidentiality. Supplier shall not sell or offer to sell to anyone other than Buyer any Goods made in accordance with any drawings or specifications that Buyer furnishes to Supplier. Supplier shall maintain the confidentiality of, and shall not disclose or use or permit to be disclosed or used or to be viewed by any third party (including any of Supplier's subcontractors or suppliers), the Goods, any designs of or specifications for the Goods, any Furnished Item (as defined below) or any information concerning Buyer's business, operations or activities, including, without limitation, information concerning Buyer's present or proposed products, product developments, plans, strategies, finances, know-how, sales, customers and marketing or sales techniques (collectively, "**Confidential Information**"), except that Supplier may disclose

Confidential Information to a third party (other than a competitor of Buyer or a subsidiary or affiliate of a competitor) to the extent disclosure is necessary in order for Supplier to perform its obligations under the Agreement. If there is a breach of this paragraph or the following paragraph (either actual or threatened) by Supplier, Buyer's remedies at law will be inadequate. Therefore Buyer shall have the right of specific performance or injunctive relief, or both, in addition to any and all other remedies and rights at law or in equity, and Buyer's rights and remedies shall be cumulative.

20. **Intellectual Property.** Any drawings, specifications, film, negatives, CAD data, documents (electronic or otherwise) and other information and any tooling, equipment or other property that Buyer shall furnish to, or acquire from, Supplier in connection with Supplier's manufacture of the Goods or performance of the Services ("**Furnished Items**") is and shall become or remain Buyer's sole property. Supplier shall (i) maintain in good condition any Furnished Items, (ii) mark the Furnished Items "PROPERTY OF BOHNING COMPANY LTD.", (iii) not commingle the Furnished Items with property of Supplier or third parties, (iv) allow Buyer to inspect and examine them at any time, and (v) return them to Buyer upon its request. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems and other matters created or developed by Supplier in the course of Supplier's performance of the Services or development of the Goods ("**Intellectual Property**") shall be the sole property of Buyer. All Intellectual Property shall be considered "works made for hire" within the meaning of the federal Copyright Act of 1976, as amended, and under the equivalent laws of any other country. If the Goods or their design are subject to any patent or other proprietary rights held by Supplier, then Supplier grants to Buyer an irrevocable, non-exclusive, royalty-free license of the patent and other proprietary rights to the extent necessary to enable Buyer to modify, repair, or rebuild any or all of the Goods. This license is in addition to all patent licenses impliedly granted to Buyer as a purchaser of the Goods.

21. **Remedies.** The remedies stated in this Agreement shall be cumulative and not alternative and may be exercised separately or together, in any order or combination, and are in addition to any other remedies provided for or allowed by law, at equity or otherwise. Buyer's rights and remedies include the right to recover incidental and consequential damages upon any breach by Supplier.

22. **Other Terms.** Supplier shall not have and waives any security interest in or lien (including any statutory lien) upon any Furnished Items or the Goods. Supplier may not delegate or subcontract any of its obligations under a purchase order without Buyer's prior written consent. Buyer may deduct from, and set off against, any amounts at any time owing to or to be owing to Supplier under this Agreement any damages or other amounts owing or to be owing to Buyer by Supplier, whether under the same purchase order or otherwise. If at any time Buyer has reasonable grounds for insecurity as to Supplier's performance, Supplier shall provide adequate assurance of due performance within 5 days after demand by Buyer, which shall be considered to be a reasonable time.

23. **Applicable Law.** This Agreement shall be governed by, and interpreted according to, Michigan law without regard to conflict of laws principles. Any action based upon or arising out of this Agreement shall be exclusively resolved by any state or federal court located in, or whose jurisdiction includes, Missaukee County or Kent County, Michigan, and Supplier irrevocably consents that any such court shall have exclusive personal jurisdiction and venue over Supplier and waives any objection that such court is an inconvenient forum.

24. **Complete Agreement.** Buyer has not made any promises or representations to Supplier, and Buyer has not made any to Supplier, that are not in this Agreement. Any change in, or waiver of, any provision of this Agreement must be contained in a writing signed by the party to be charged. This Agreement constitutes the entire agreement between Buyer and Supplier regarding the subject matter hereof.

[End of Standard Terms of Purchase]